

Invisible Walls ApS

Frederiksberggade 28, 2. th

1459 København K

CVR no. 38 99 95 24

Annual report for 2021

Adopted at the annual general meeting on 17 June
2022

Niels Ahlefeldt Wetterberg
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Invisible Walls ApS for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 17 June 2022

Executive board

Niels Ahlefeldt Wetterberg
CEO

Supervisory board

Per Arne Lundberg
Chairman

Karl Johan Stefan Gideskog

Independent auditor's report on extended review

To the shareholder of Invisible Walls ApS

Opinion

We have performed extended review of the financial statements of Invisible Walls ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

Without modifying our conclusion we must point out that the comparative figures are not covered by this extended review of the financial statements as the company for the financial year has undergone an extended review, while the annual report for 2020 was not provided with any kind of statement by the auditor.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report on extended review

Auditor's responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit and accordingly we do not express an audit opinion on these financial statements.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Hellerup, 17 June 2022

Solveo
Statsautoriseret Revisionspartnerselskab
CVR no. 40 84 48 99

Søren Møller Poulsen
statsautoriseret revisor
MNE no. mne15202

Company details

The company

Invisible Walls ApS
Frederiksberggade 28, 2. th
1459 København K

CVR no.: 38 99 95 24

Reporting period: 1 January - 31 December 2021

Domicile: Copenhagen

Supervisory board

Per Arne Lundberg, chairman
Karl Johan Stefan Gideskog

Executive board

Niels Ahlefeldt Wetterberg, CEO

Auditors

Solveo
Statsautoriseret Revisionspartnerselskab
Strandvejen 125
2900 Hellerup

Management's review

Business review

The activity of the company is to develop interactive experiences and other related services.

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 2.181.081, and the balance sheet at 31 December 2021 shows equity of DKK 2.364.444.

Significant events occurring after the end of the financial year

As per march 16, 2022 the ownership of the company has changed, since the Swedish company, Amplifier Game Invest AB as per that date has the fully ownership of the company.

Other than the above, no events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement**1 January 2021 - 31 December 2021**

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Gross profit		-21.801	-83.294
Staff costs	1	-827.730	-46.826
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	<u>-1.087.100</u>	<u>0</u>
Profit/loss before net financials		-1.936.631	-130.120
Financial income		31.110	0
Financial costs		<u>-275.564</u>	<u>-41.881</u>
Profit/loss before tax		-2.181.085	-172.001
Tax on profit/loss for the year		<u>4</u>	<u>0</u>
Profit/loss for the year		<u><u>-2.181.081</u></u>	<u><u>-172.001</u></u>
Recommended appropriation of profit/loss			
Retained earnings		<u>-2.181.081</u>	<u>-172.001</u>
		<u><u>-2.181.081</u></u>	<u><u>-172.001</u></u>

Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Assets			
Completed development projects		3.804.848	0
Development projects in progress		<u>0</u>	<u>2.229.078</u>
Intangible assets	3	<u>3.804.848</u>	<u>2.229.078</u>
Investments in subsidiaries	4	86.000	0
Deposit		<u>32.445</u>	<u>31.500</u>
Fixed asset investments		<u>118.445</u>	<u>31.500</u>
Total non-current assets		<u>3.923.293</u>	<u>2.260.578</u>
Trade receivables		1.559.696	780.127
Other receivables		58.003	67.951
Corporation tax		40.000	4.000
Prepayments		<u>0</u>	<u>1.464</u>
Receivables		<u>1.657.699</u>	<u>853.542</u>
Cash at bank and in hand		<u>1.341.230</u>	<u>656.783</u>
Total current assets		<u>2.998.929</u>	<u>1.510.325</u>
Total assets		<u><u>6.922.222</u></u>	<u><u>3.770.903</u></u>

Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Equity and liabilities			
Share capital		52.774	49.382
Reserve for development expenditure		2.967.782	0
Retained earnings		-656.112	784.385
Equity		<u>2.364.444</u>	<u>833.767</u>
Other payables		271.969	1.276.812
Total non-current liabilities	5	<u>271.969</u>	<u>1.276.812</u>
Short-term part of long-term debet	5	1.056.729	0
Banks		0	2.279
Trade payables		288.169	130.879
Payables to shareholders and management		1.916.916	977.027
Other payables		794.479	550.139
Long-term prepayments of work in progress		229.516	0
Total current liabilities		<u>4.285.809</u>	<u>1.660.324</u>
Total liabilities		<u>4.557.778</u>	<u>2.937.136</u>
Total equity and liabilities		<u><u>6.922.222</u></u>	<u><u>3.770.903</u></u>
Rent and lease liabilities	6		

Statement of changes in equity

	Share capital	Share premium account	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2021	49.382	0	0	784.385	833.767
Increase of capital by conversion of debt	3.392	3.708.366	0	0	3.711.758
Transfers, reserves	0	0	2.967.782	-2.967.782	0
Net profit/loss for the year	0	0	0	-2.181.081	-2.181.081
Transfer from share premium account	0	-3.708.366	0	3.708.366	0
Equity at 31 December 2021	52.774	0	2.967.782	-656.112	2.364.444

Notes

	<u>2021</u> DKK	<u>2020</u> DKK
1 Staff costs		
Wages and salaries	4.150.900	3.194.181
Pensions	253.140	167.964
Other social security costs	101.452	59.062
Other staff costs	<u>-3.677.762</u>	<u>-3.374.381</u>
	<u>827.730</u>	<u>46.826</u>
Average number of employees	<u>12</u>	<u>9</u>
	<u>2021</u> DKK	<u>2020</u> DKK
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation intangible assets	<u>1.087.100</u>	<u>0</u>
	<u>1.087.100</u>	<u>0</u>

Notes

3 Intangible assets

	Completed development projects	Development projects in progress
Cost at 1 January 2021	0	2.229.078
Additions for the year	0	2.662.870
Transfers for the year	4.891.948	-4.891.948
Cost at 31 December 2021	<u>4.891.948</u>	<u>0</u>
Impairment losses and amortisation at 1 January 2021	0	0
Depreciation for the year	1.087.100	0
Impairment losses and amortisation at 31 December 2021	<u>1.087.100</u>	<u>0</u>
Carrying amount at 31 December 2021	<u>3.804.848</u>	<u>0</u>

In 2021 the focus of the company has been on the initial launch of the its flagship product First Class Trouble. First Class Trouble was developed by Invisible Walls as a first step in making Invisible Walls a global leader in the genre 'Social Strategy'. First Class Trouble is a whodunit social multiplayer game where players must uncover an imposter among them. The game was released, in collaboration with US publisher Versus Evil, in 'Early Access' (beta) in April 2021. The game Release Candidate was completed on the 31st of October and launched globally in collaboration with Sony on PlayStation 4 & 5 in version 1.0 on November 2, 2021 and has since been played by a wide number of users globally

	2021 DKK	2020 DKK
4 Investments in subsidiaries		
Cost at 1 January 2021	0	0
Additions for the year	86.000	0
Cost at 31 December 2021	<u>86.000</u>	<u>0</u>
Carrying amount at 31 December 2021	<u>86.000</u>	<u>0</u>

Notes

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Aporia Invest ApS (Under frivillig likvidation)	København	80,47%

5 Long term debt

	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
Other payables	1.276.812	1.328.698	1.056.729	0
	1.276.812	1.328.698	1.056.729	0

6 Rent and lease liabilities

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	36.390	34.500

7 Accounting policies

The annual report of Invisible Walls ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Notes

7 Accounting policies

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, other operating income, costs of raw materials and consumables and other external expenses.

Revenue

Revenue from the sale of goods is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Expenses for raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Other external costs

Other external costs include expenses related to sale, advertising, administration etc.

Notes

7 Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses include amortisation and depreciation of intangible assets for the financial year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is two years.

Investments in subsidiaries, associates and participating interests

Investment in subsidiaries, associates and participating interests are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Notes

7 Accounting policies

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash comprises bank deposits.

Equity

Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables and other payables, are measured at amortised cost, which is usually equivalent to nominal value.